



FY2020 Preliminary Fiscal Plan

General Overview on April 23, 2019

FY2020 Budget Review Schedule

Tuesday, April 23	Introduction of the FY2020 Preliminary Fiscal Plan (9:30 am)
Tuesday, April 30	Budget Review (9:00 am-Noon) - Economic Prosperity and Affordability, Mobility, Safe Community
Tuesday, May 7	Budget Review (9:00 am-Noon) - Health and Environment, Governmental Excellence, Engaged and Connected Community - Equity, Capital
Tuesday, May 14	Committee of the Whole Discussion (9:30 am) Public Hearing at City Commission (7:00 pm)
Tuesday, May 21	Committee of the Whole Deliberation (9:30 am) City Commission Adoption (7:00 pm)
Thursday, May 23	If Needed (1:00 – 5:00 pm)

Today's Agenda

- A Strategic Plan to Guide Investment
- FY2019 Highlights
- FY2020 Preliminary Fiscal Plan Overview
- Investments by Strategic Priority
- Summary



A Strategic Plan to Guide Investment

Values

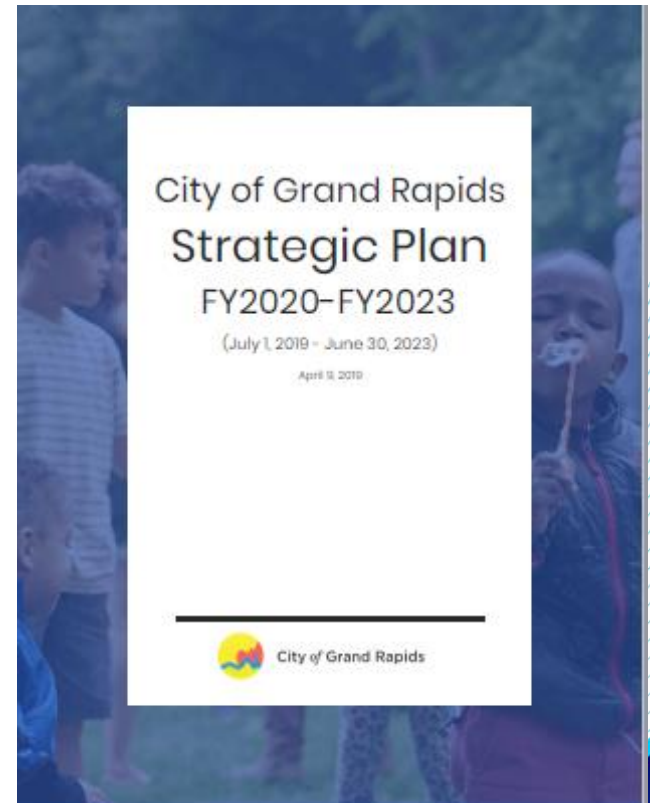
- Accountability
- Collaboration
- Customer Service
- Equity
- Innovation
- Sustainability

Vision

Grand Rapids will be nationally recognized as an equitable, welcoming, innovative and collaborative city with a robust economy, safe and healthy community, and the opportunity for a high quality of life for all.

Mission

To elevate quality of life through excellent City services.



Priorities



Governmental Excellence

A fiscally resilient government powered by high performing and knowledgeable staff equipped with the appropriate tools and resources to offer excellent, equitable and innovative public service.



Engaged and Connected Community

Residents and stakeholders have awareness of and voice in decisions that affect them, and receive culturally-responsive and proactive communication.



Mobility

Innovative, efficient and equitable mobility solutions are safe, affordable and convenient to the community.



Economic Prosperity and Affordability

Residents, employees and businesses have pathways to financial growth and security.



Health and Environment

The health of all people and the environment are advocated for, protected and enhanced.



Safe Community

All people feel safe and are safe at all times throughout our community.

FY2019 Highlights



Financial reserves have never been stronger at 32.3%



9 parks added to the 49 parks rehabilitated/reconstructed with the voter-approved Parks Millage



Miles of streets in good and fair condition increased from 37% in 2014 to 60% in 2018 under Vital Streets



46,585 persons visited City pools in Summer 2018



Grand Rapids Fire Department became the only one in Michigan to achieve top ISO-1 rating from the Insurance Services Office



All Housing NOW! policies adopted

FY2019 Highlights



131 households served through an innovative eviction prevention pilot established in collaboration with 61st District Court



30% increase in ridership due to new DASH circulator routes



Third Ward equity investments identified for Spring launch



37 projects supported through the Neighborhood Match Fund



Police Department began implementing the Police Policy and Procedure Review Task Force's recommendations



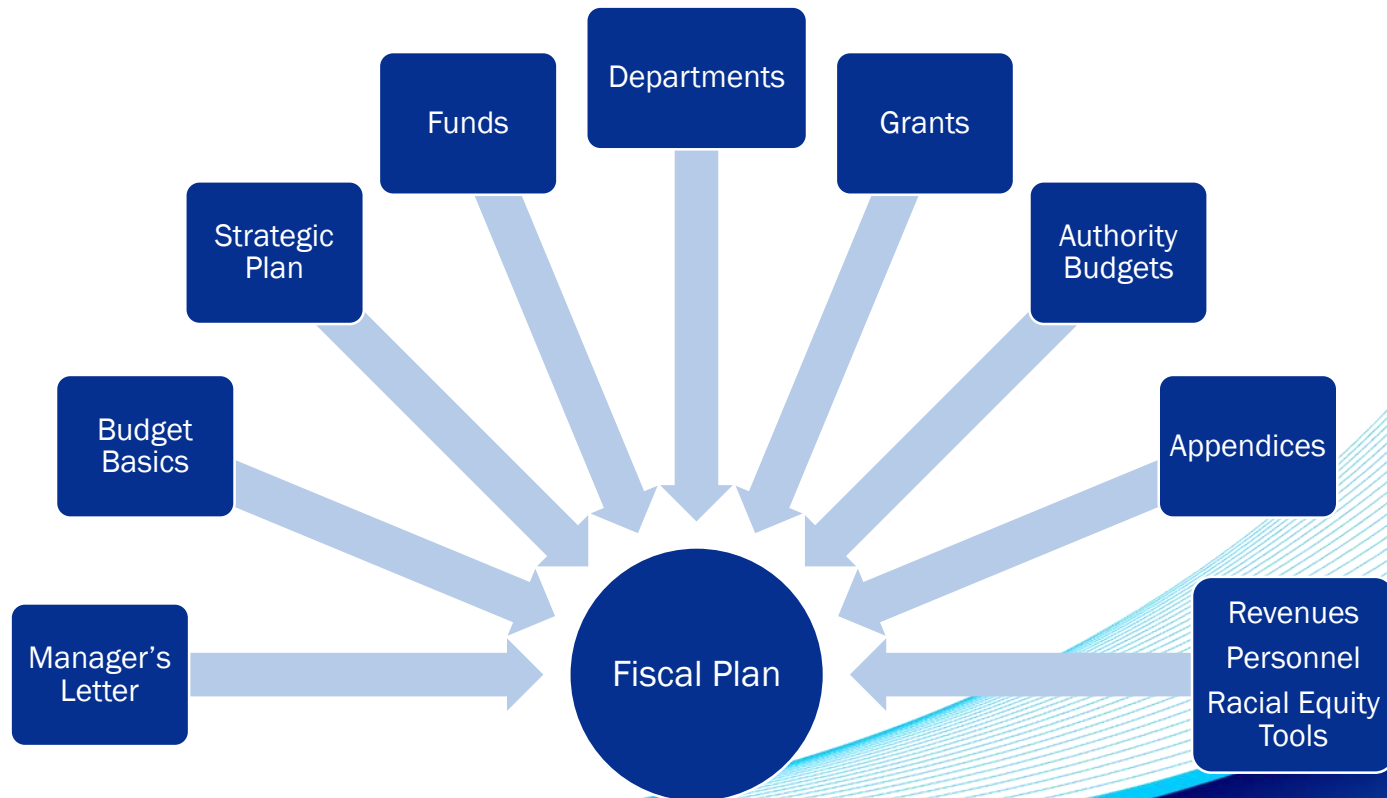
595 jobs created or retained and \$187.5 million in private investment by businesses that received economic incentives in 2018

FY2020 Preliminary Fiscal Plan Overview



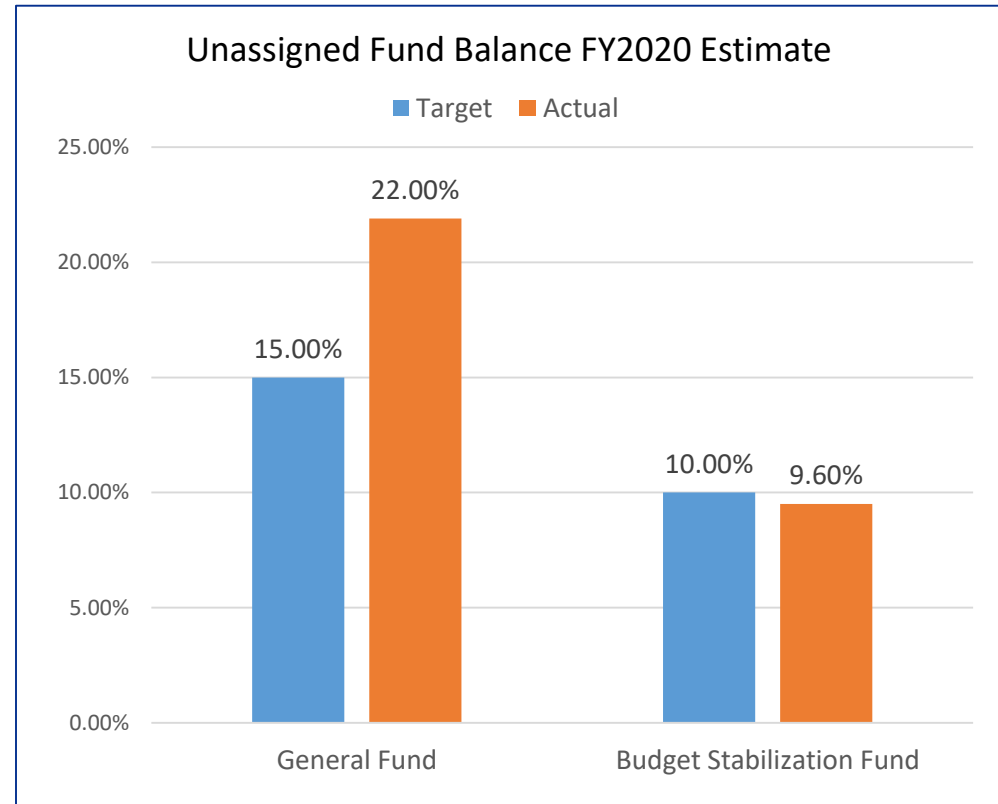
Fiscal Plan Layout

The FY2020 Preliminary Fiscal Plan is presented by Fund Type, including departmental summaries. Future fiscal plans will include capital investments and department-specific performance indicators tied to the Strategic Plan.



Fiscal Plan Guidelines

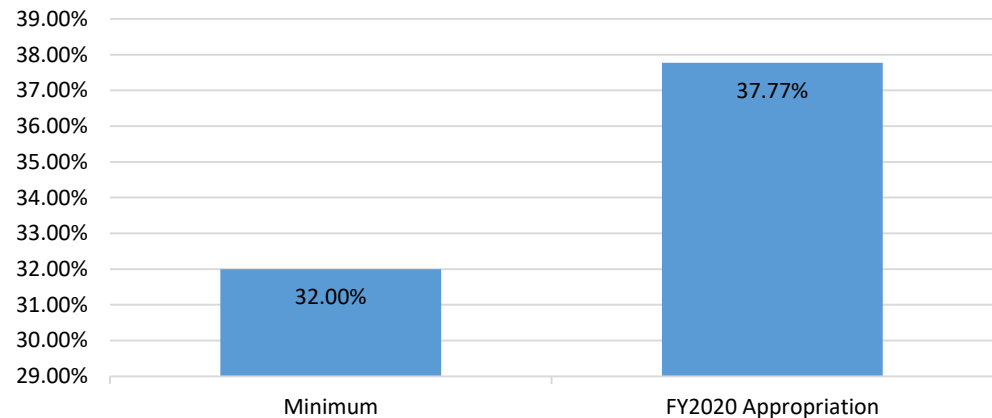
General Fund Contingent Appropriation = \$1.5 million



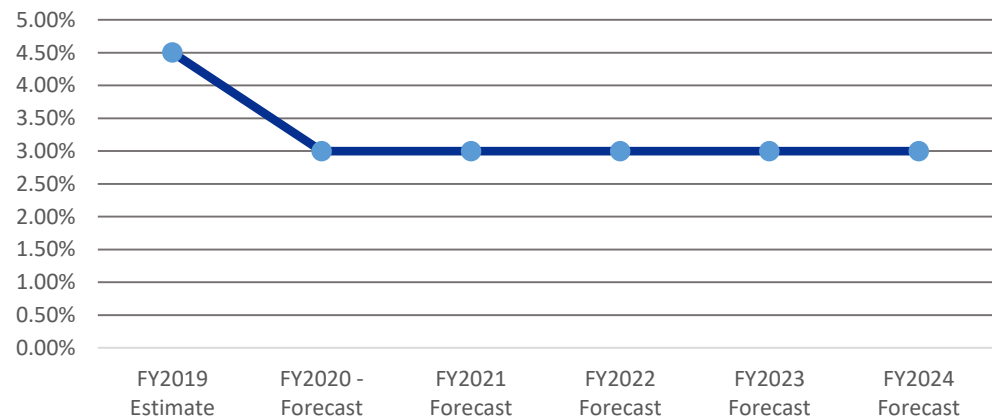
Guidelines: Standards

- Contribute 100% Actuarially Computed Employer Contributions (ACEC):
 - Pension systems
 - Retiree health care
- Health Care Costs 80/20 Split
- Fully fund the Capital Improvement Plan
 - Asset management principles
 - Operating budget impacts
- Maintenance of Effort
 - Parks investment
 - Vital Streets
- 4.5% Capital Reserve Income Tax set-aside
- \$500,000 Police/Fire unfavorable pension adjustment

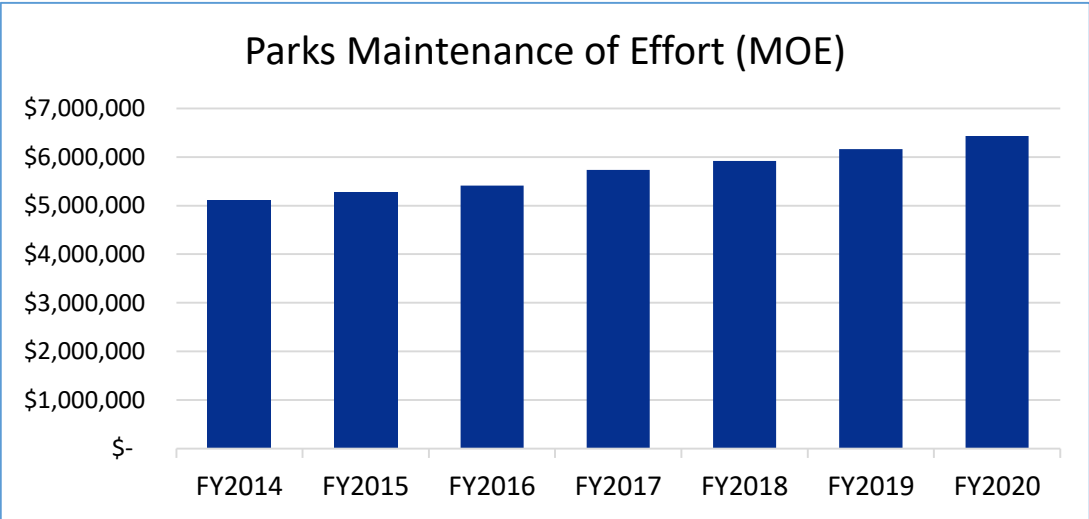
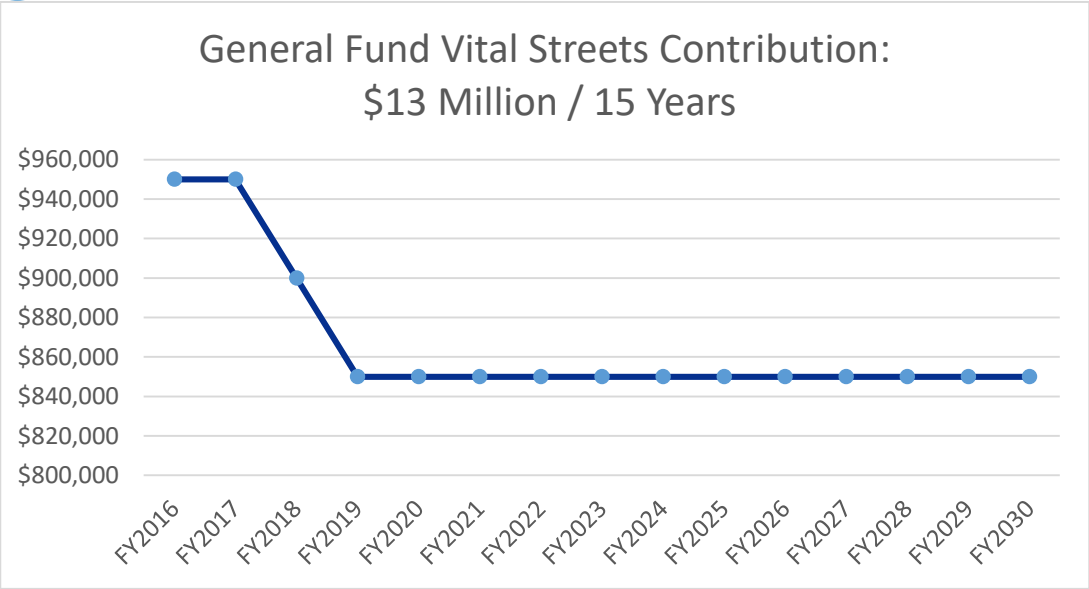
Police Department Minimum General Fund Support



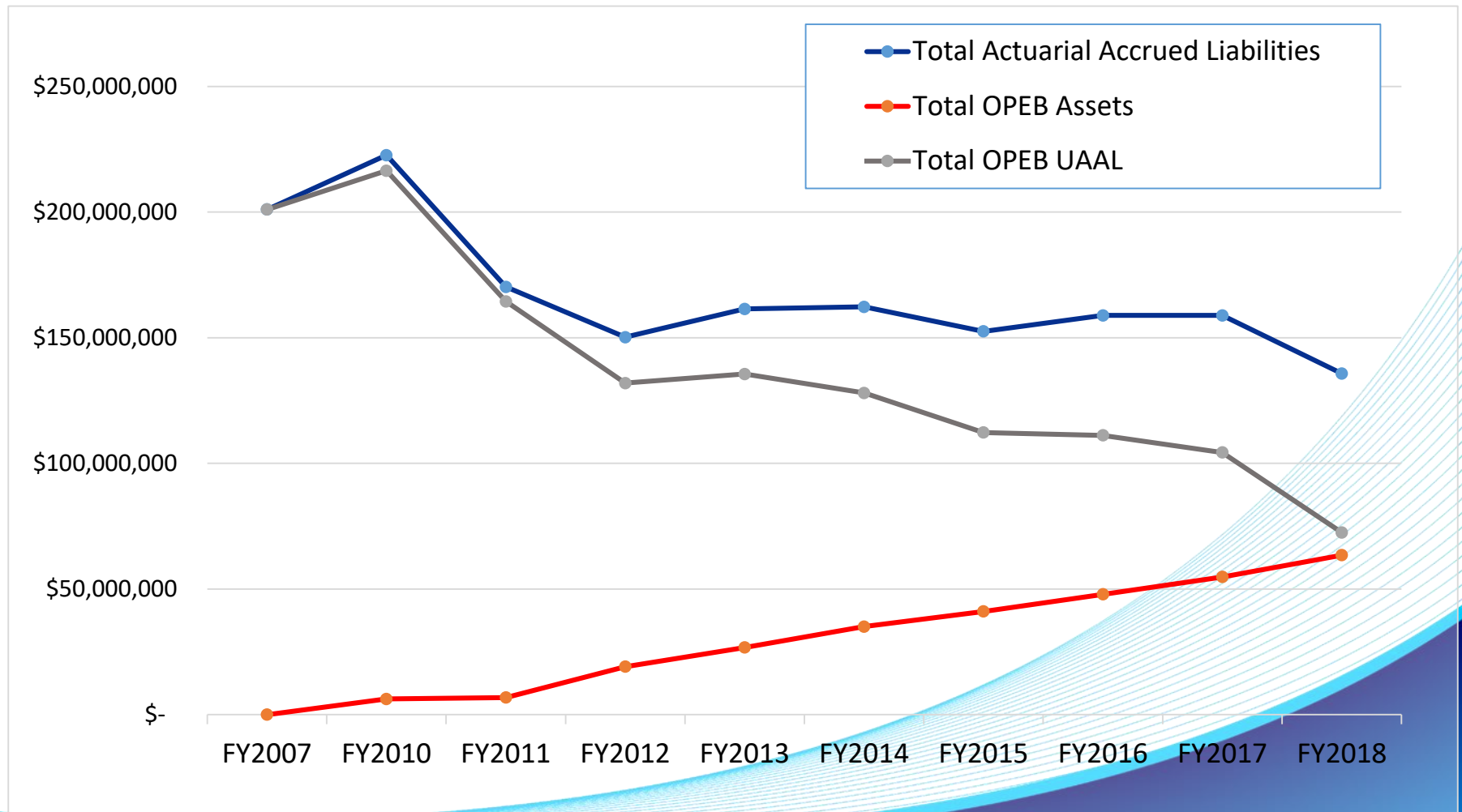
Projected Income Tax Growth



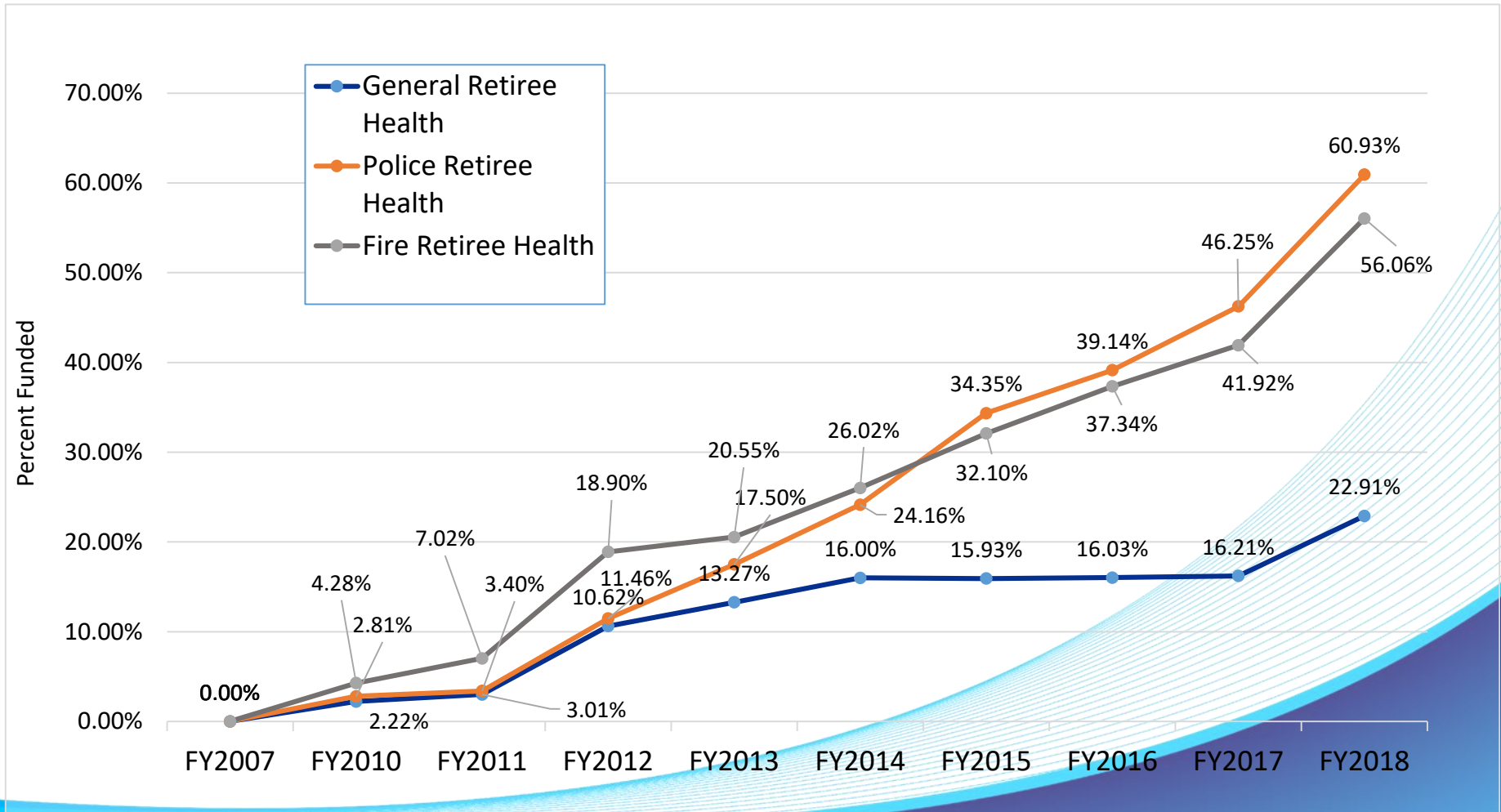
Guidelines: Fulfilling Commitments



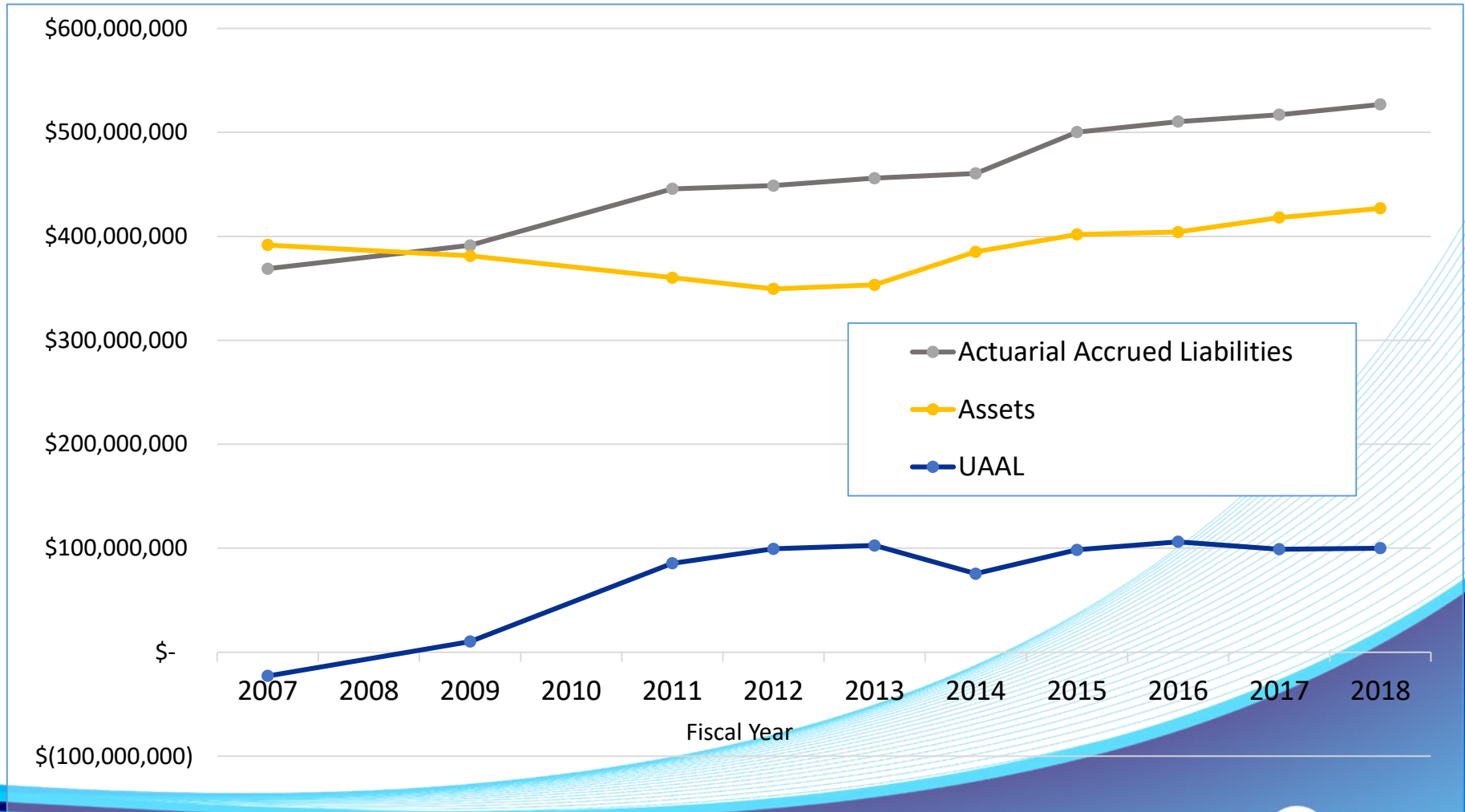
Legacy Costs: OPEB Funding History



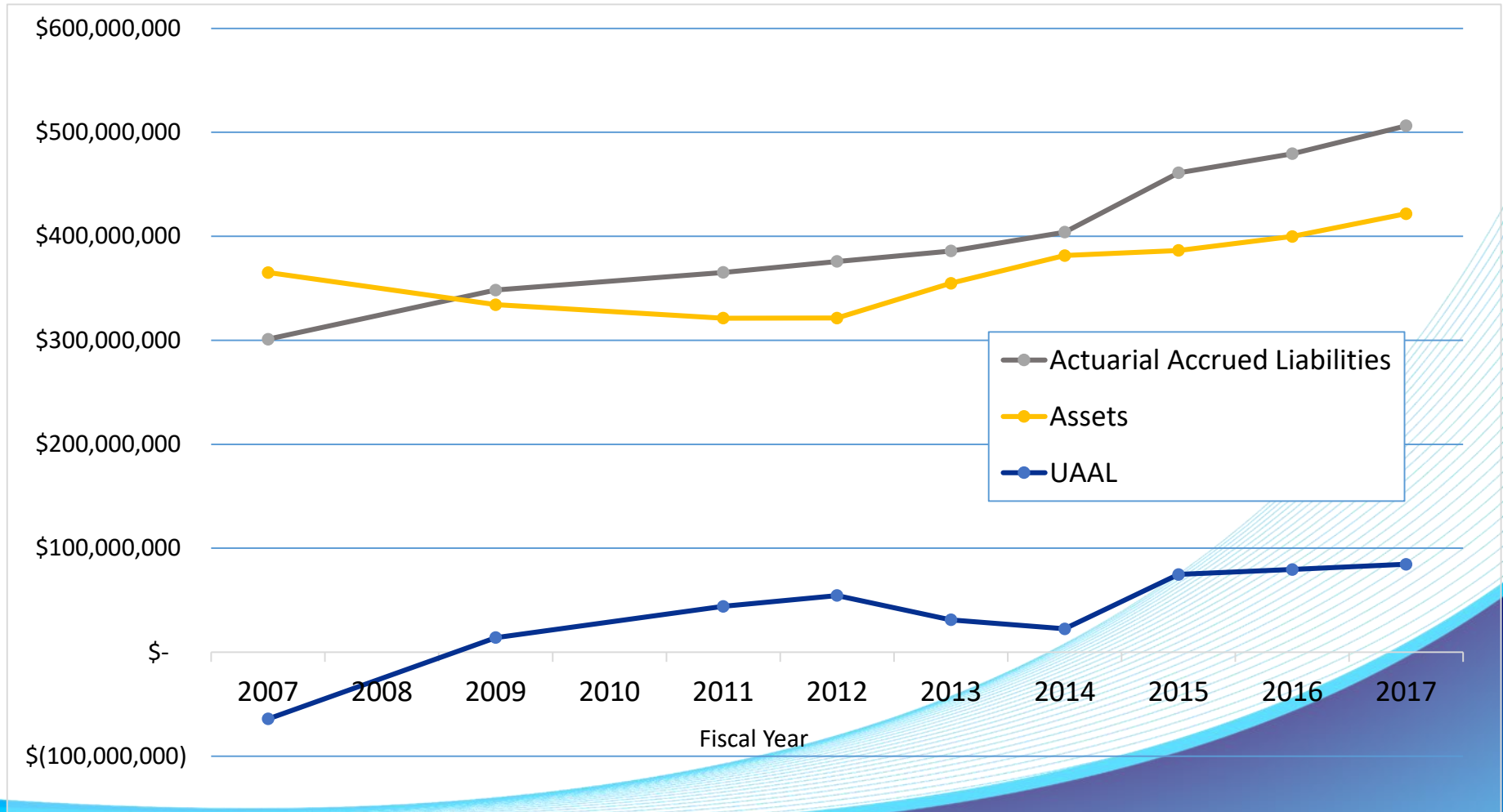
Legacy Costs: OPEB Funding History



General Fund Legacy Costs: Pension Funding



Police and Fire Legacy Costs: Pension Funding



FY2020 Preliminary Fiscal Plan Appropriations

\$563,094,776



General Fund Forecasted Fund Balance

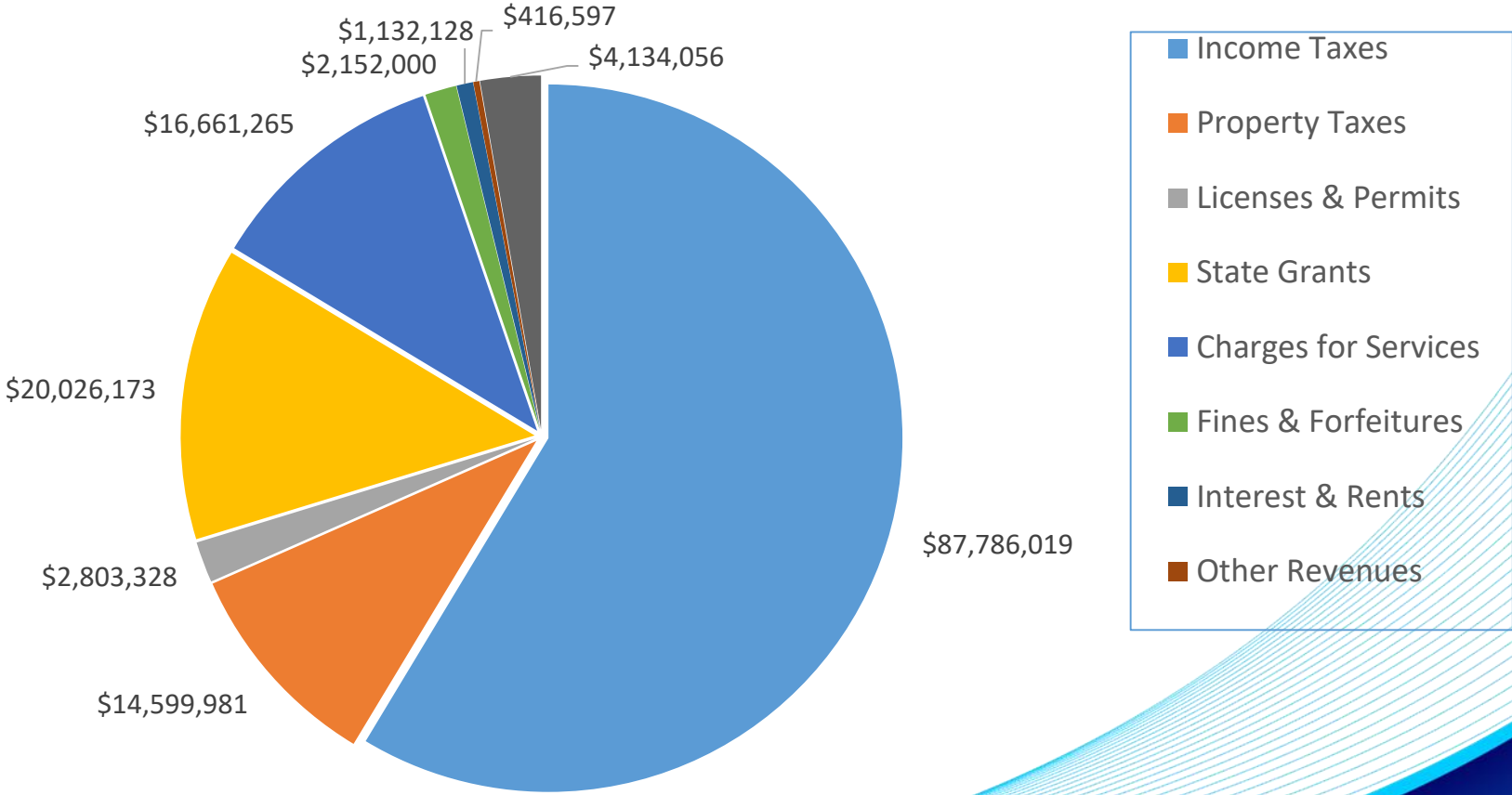
GOF 5 X 5					
	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Fund Balance	\$ 31,991,518	\$ 32,768,273	\$ 31,893,990	\$ 28,162,566	\$ 25,070,096
Revenue	\$ 149,711,547	\$ 152,723,340	\$ 154,955,171	\$ 158,185,226	\$ 161,922,101
Expenditure	\$ 148,934,792	\$ 153,597,623	\$ 158,686,595	\$ 161,277,696	\$ 163,559,628
Surplus (Deficit)	\$ 776,755	\$ (874,283)	\$ (3,731,424)	\$ (3,092,470)	\$ (1,637,527)
Ending Fund Balance	\$ 32,768,273	\$ 31,893,990	\$ 28,162,566	\$ 25,070,096	\$ 23,432,569
Unassigned FB %	22.0%	20.8%	17.7%	15.5%	14.3%

Policy Unassigned FB%: 15%

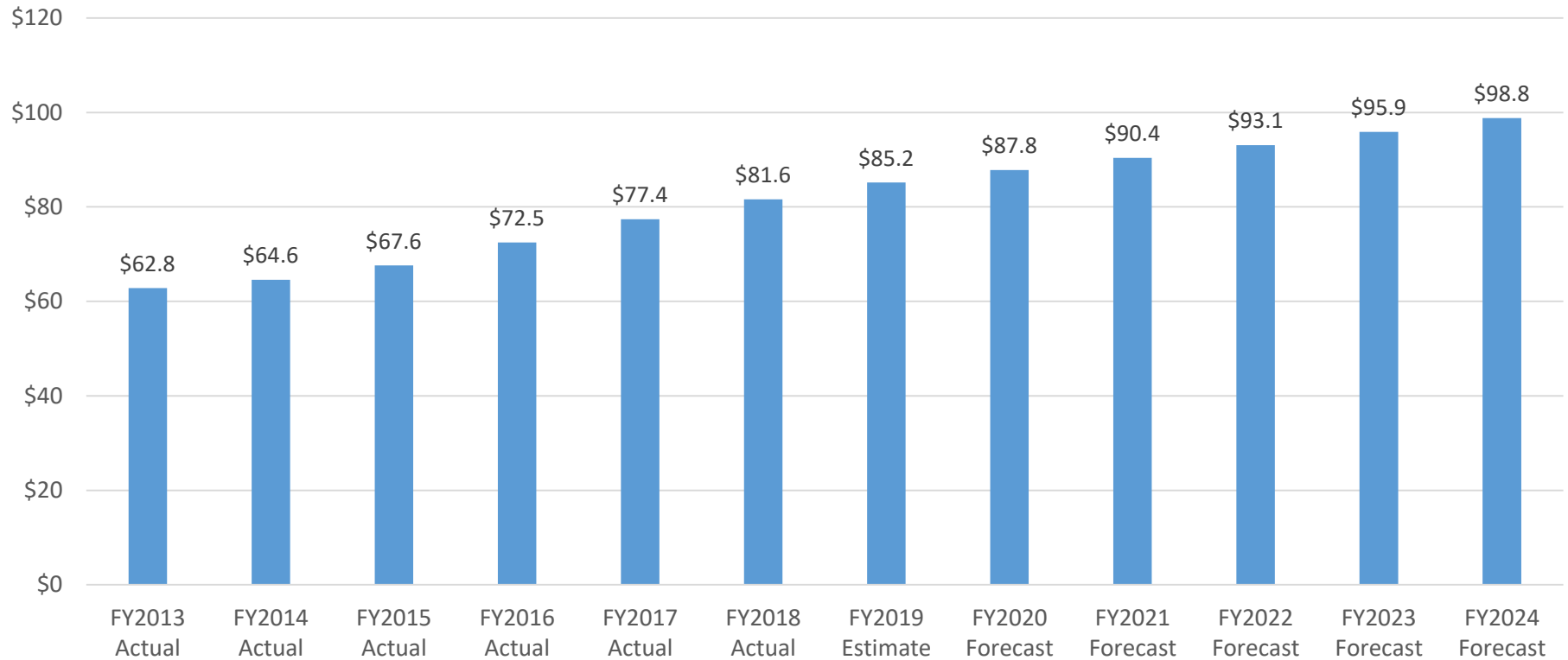
Budget Stabilization Fund Forecasted Balance

Budget Stabilization Fund 5 x 5					
	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Fund Balance	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835
GOF Expenditures	\$ 148,934,792	\$ 153,597,623	\$ 158,686,595	\$ 161,277,696	\$ 163,559,628
Ending Fund Balance	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835	\$ 14,298,835
Unassigned FB %	9.6%	9.3%	9.0%	8.9%	8.7%

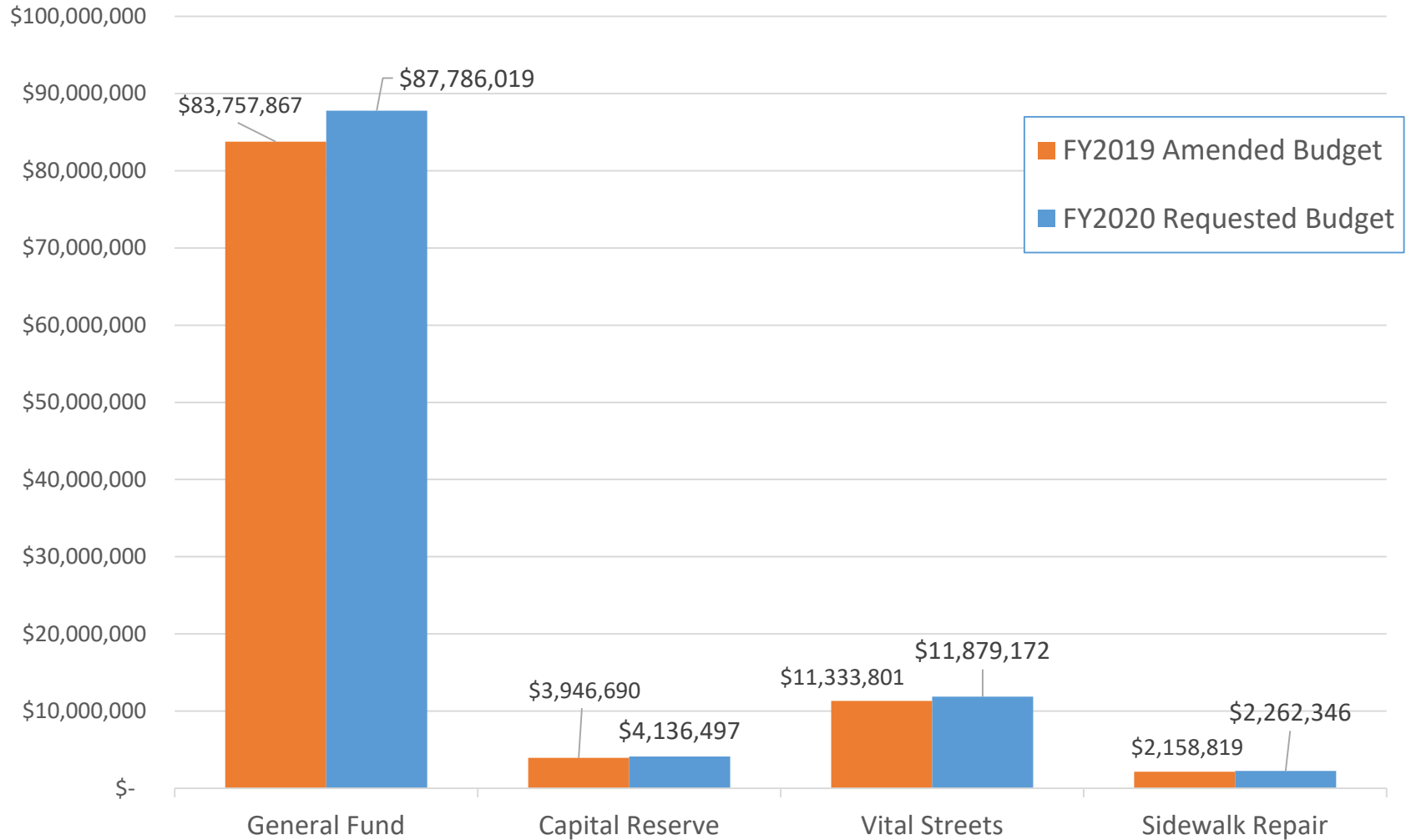
Revenue: General Fund



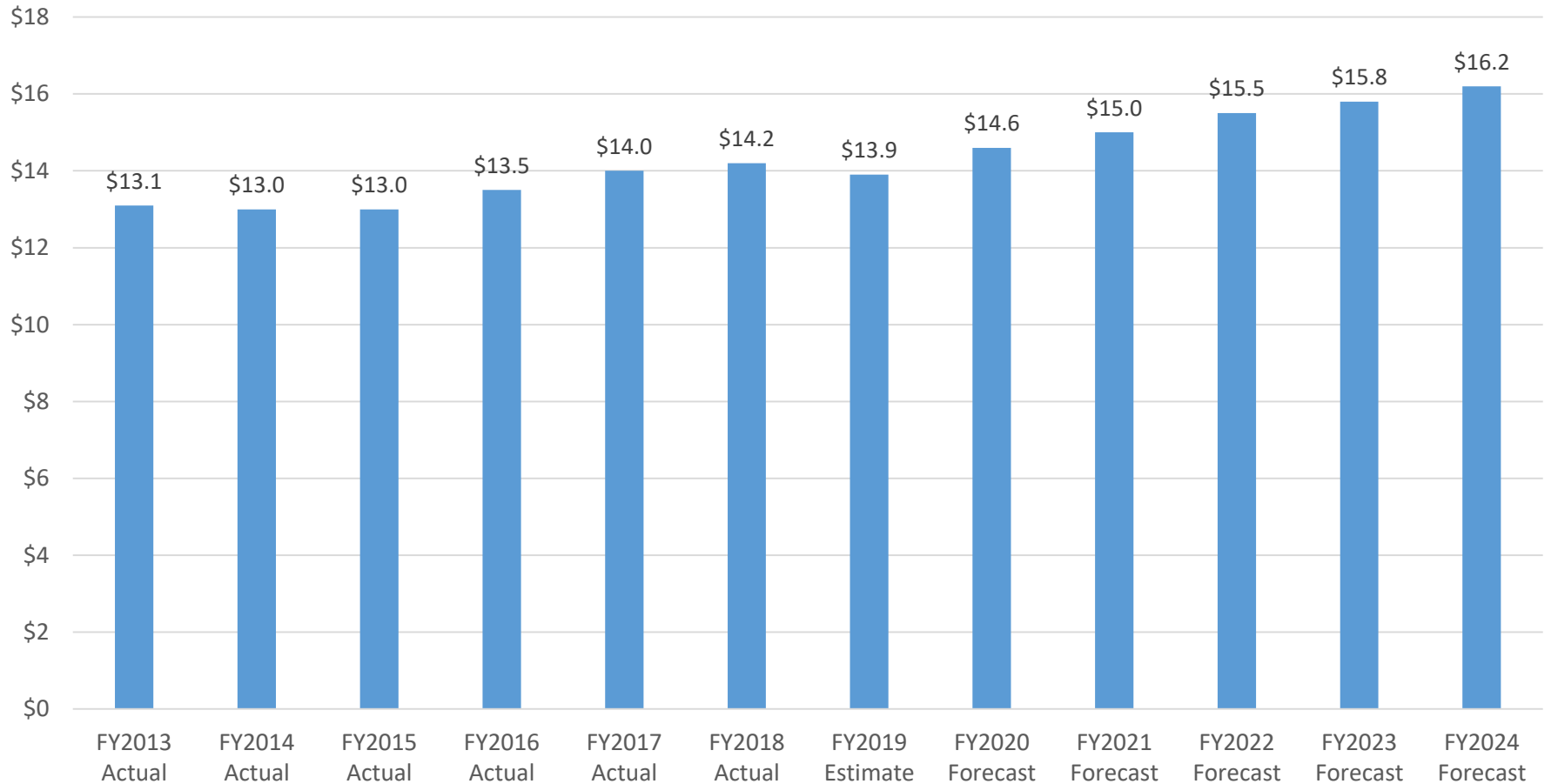
General Fund Income Tax Revenue (in millions)



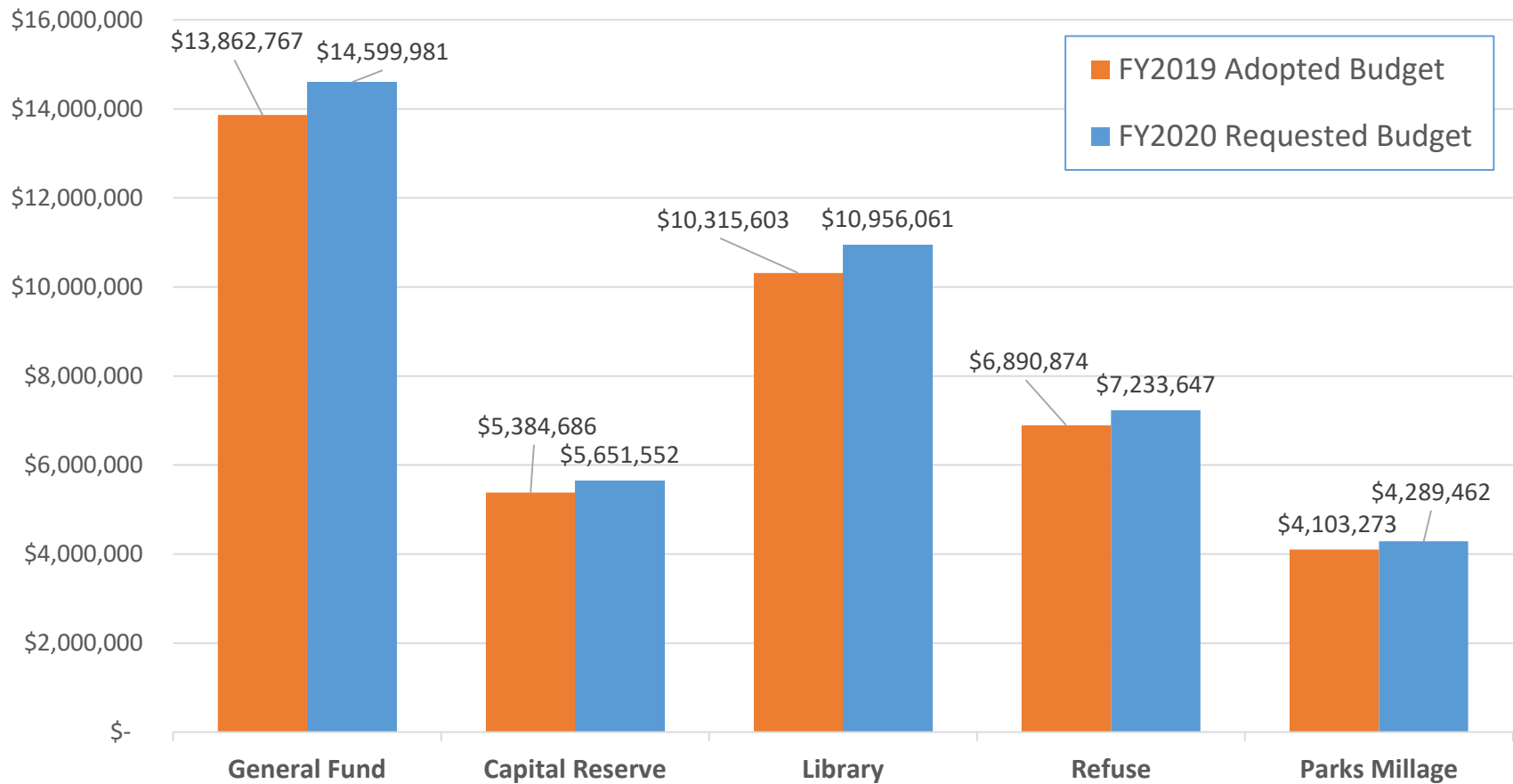
Revenue Distribution: Income Taxes



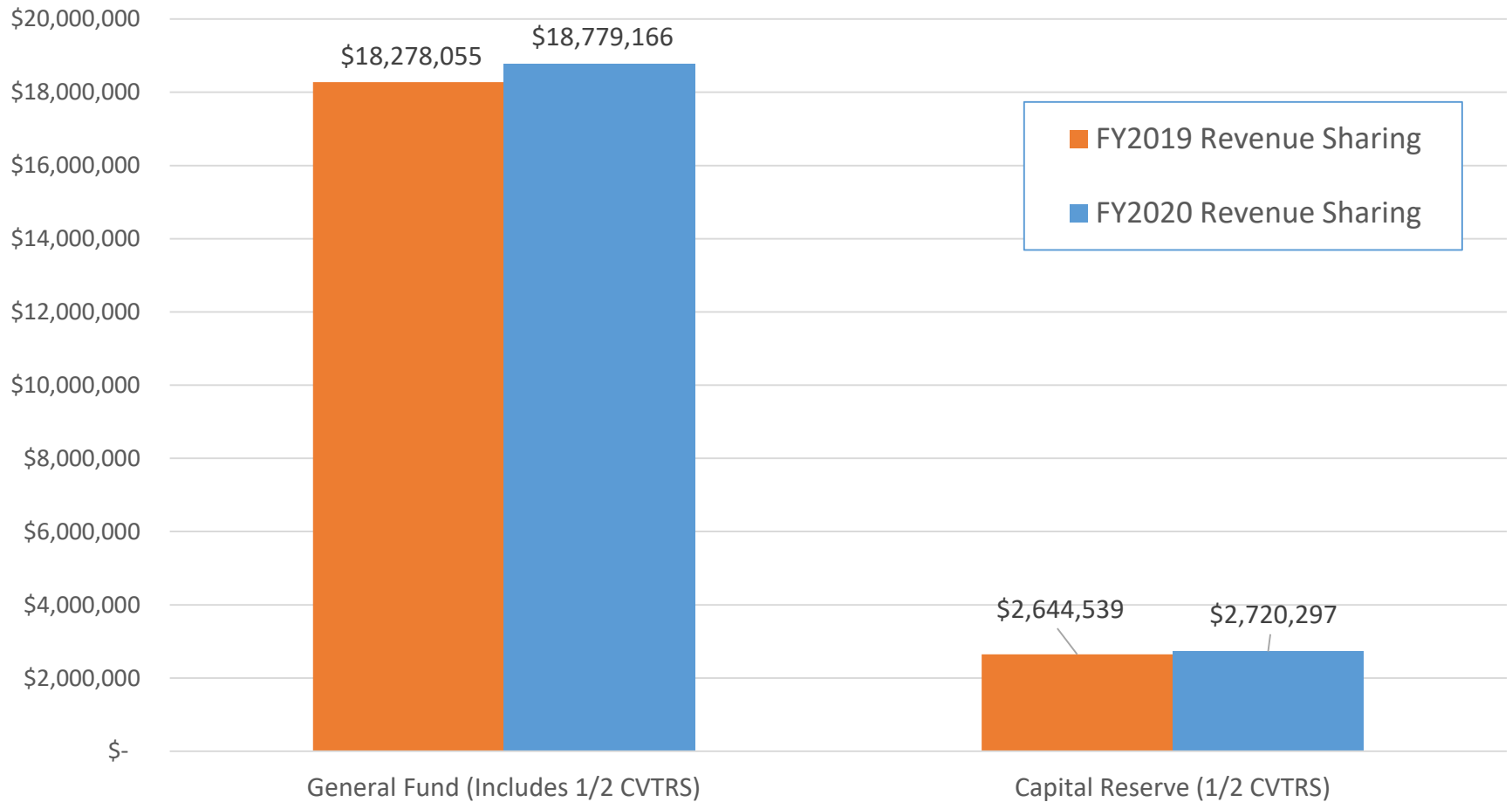
General Fund Property Taxes (in millions)



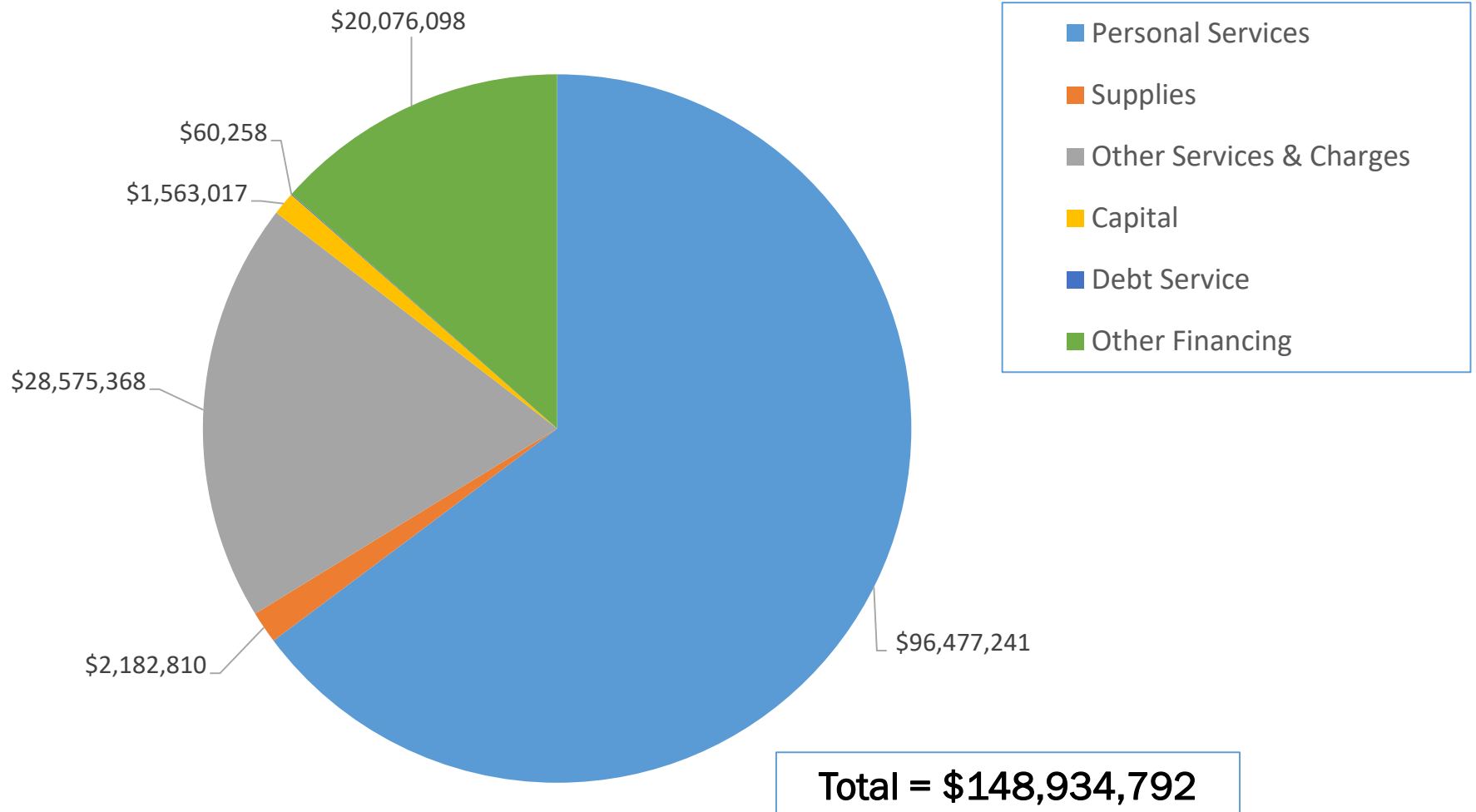
Revenue Distribution: Property Taxes



Revenue Sharing Distribution



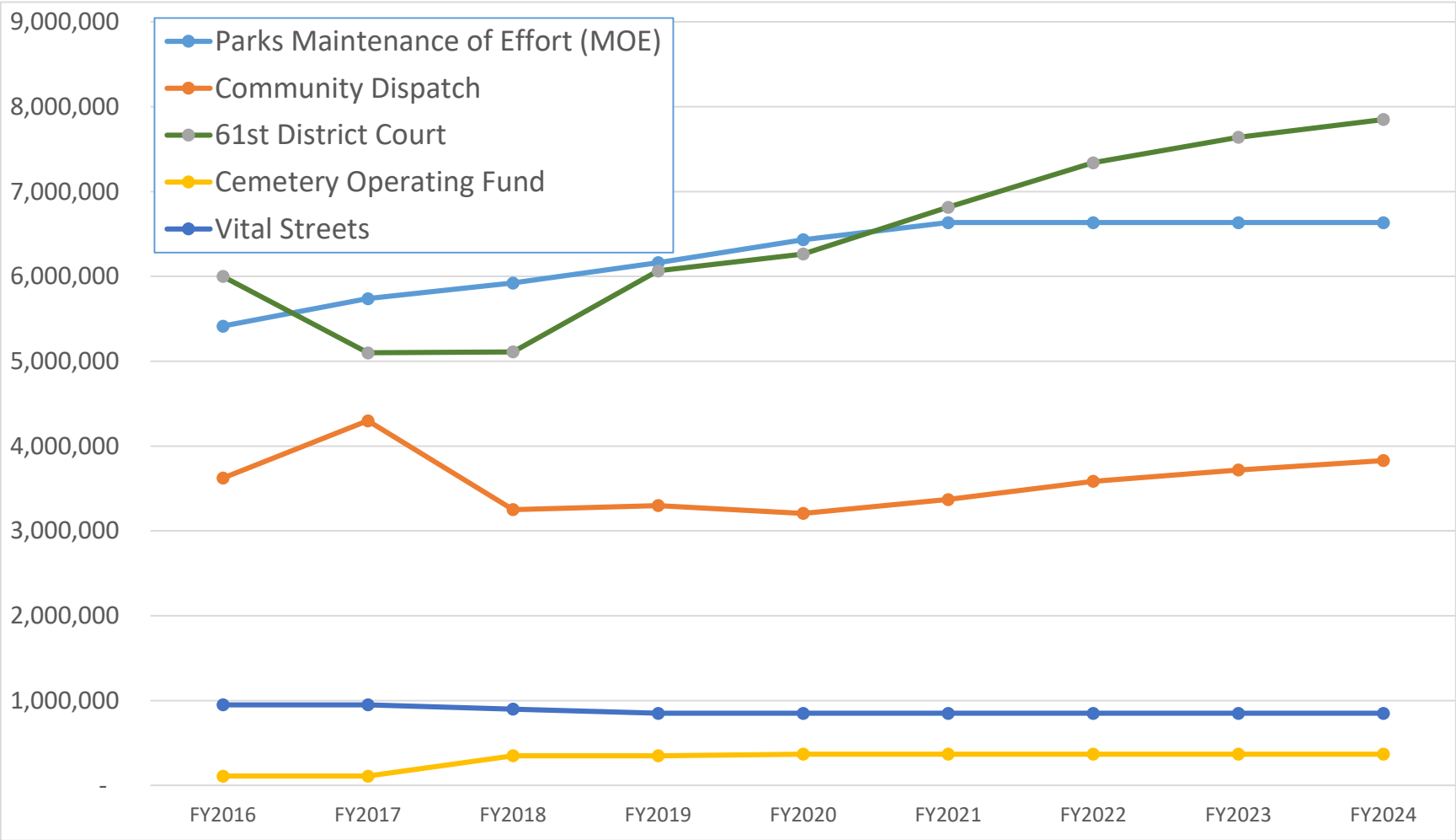
Expenses: General Fund FY2020



General Fund Expenses by Department

	FY2018 Adopted	% Total	FY2019 Adopted	% Total	FY2020 Request	% Total
Clerk's Office	2,003,425	1.5%	2,137,753	1.5%	2,250,072	1.5%
Executive Office	2,136,584	1.6%	2,722,356	2.3%	3,010,294	2.0%
Community Services	134,697	0.1%	143,187	0.1%	152,257	0.1%
Design Devt & Community Engagement	5,759,501	4.2%	5,994,554	4.2%	6,377,921	4.3%
Enterprise Services	5,307,065	3.9%	5,459,195	3.8%	5,871,428	3.9%
Human Resources	2,937,461	2.1%	2,942,957	2.1%	3,100,907	2.1%
Administrative Services	884,245	0.6%	812,623	0.6%	795,705	0.5%
Police	50,787,375	37.0%	53,727,579	37.7%	56,247,805	37.8%
Fire	29,863,932	21.8%	31,482,122	22.1%	32,506,432	21.8%
Attorney's Office	2,678,335	2.0%	2,757,585	1.9%	2,890,482	1.9%
Fiscal Services	29,554,452	21.6%	28,711,286	20.1%	30,380,722	20.4%
Technology & Change Management	223,933	0.2%	170,077	0.1%	254,296	0.2%
Treasury	2,117,041	1.5%	2,294,959	1.6%	2,365,068	1.6%
Comptroller's Office	2,724,870	2.0%	2,792,317	2.0%	2,731,403	1.8%
TOTAL	137,112,916	100.0%	142,683,745	100.0%	148,934,792	100.0%

General Fund Operating Transfers



Cost of Services for Residential Customers

Service or Fee	Last Year	As of July 1, 2019	\$ Increase / (Decrease)	Typical Ratepayer Defined as:
GR Water	\$331.26	\$341.52	\$10.26	Residential customer usage of 80,784 gallons annually
GR Sewer	\$450.40	\$467.46	\$17.06	Residential customer usage of 56,848 gallons annually
GR Property Tax Bill (City of Grand Rapids millage only)	\$462.19	\$482.89	\$20.70	Based on average residential taxable value of \$54,251 and \$51,520 in FY2019 and FY2018 respectively (estimated average market value \$145,542)
Total Yearly Impact	\$1,243.85	\$1,291.87	\$48.02	

\$48 = \$4/month

Investments by Strategic Priority



Investing in Services with Equitable Outcomes

- More than \$3.25 million requested in new operating investments for FY2020
- \$25 million out of \$71 million in location specific capital investments will occur in Neighborhoods of Focus
- \$750,000 Third Ward Equitable Development Fund allocated in FY2019 will be invested during FY2020



Economic Prosperity and Affordability



New **operating** investments:
\$639,488

- \$358,672 in General Fund
- \$280,816 in Non-General Fund
- 4 new positions

New **capital** investments:
\$2.15 million



Economic Prosperity and Affordability

CITY SERVICES SUPPORTING BUSINESS DEVELOPMENT

- Business Ombudsperson at the Development Center to assist small businesses and other applicants through the permitting and approval process

BUSINESS GROWTH AND RETENTION

- Increased small business recruitment, development and retention
- Closer alignment of the micro-local business development function to the Economic Development Department
- Two Administrative Analysts in Planning to provide capacity for medical marijuana processing, community planning, engagement on Vital Streets projects, age-friendly work and the start of the master plan
- Investment in a pilot for restroom facilities in the Heartside District with community partners (capital)



Economic Prosperity and Affordability

EMPLOYMENT AND WAGE GROWTH

- Backfill a civil engineer position assigned to support river restoration
- Continue the City's commitment to river restoration (capital)

HOUSING

- Establish a single point of contact within the City to lead the transition from the Kent County Land Bank and focus direct expertise on affordable housing work

DESTINATION CITY

- Add phase II plaza portion of the Lyon Square restoration in collaboration with project partners (capital)



Mobility



New **operating** investments:
\$2,101,512

- \$0 in General Fund
- \$2,101,512 in Non-General Fund
- 1 new position

New **capital** investments:
\$21.3 million

- Investment in Neighborhoods of Focus: \$4.5 million



Mobility

MULTI-MODAL TRANSPORTATION

- Investing at the full year level for the first time for the expanded DASH circulator, more frequent and fare-less service on Route 19 and Silver Line free fare zone
- Invest in a pilot program that will demonstrate the cost and impact of 100 miles of winter sidewalk maintenance services





Mobility

MULTI-MODAL TRANSPORTATION CON'T

- Transportation Planner Aide to assist with car share pilot, bus shelter implementation, DASH, parking curb management and loading zones, safe routes to school, winter sidewalk maintenance pilot and special mobility and commuter projects
- Acquisition of at least two replacement DASH vehicles (capital)
- Adding approximately 50 bus shelters as a part of the second year of investment in the bus shelter expansion program (capital)
- Improving up to 100 transit stops (capital)





Mobility

CUSTOMER RESPONSIVE PARKING SYSTEM

- Requested investments can help support up to approximately 500 parking spots if projects are approved

MAINTAIN CITY'S TRANSPORTATION NETWORK (capital)

- 61 Vital Streets projects covering 31 miles including segments of:

Hall Street
Alger Street
Broadway Avenue
Division Ave from Wealthy to Cherry
Hastings Street
Mason Street
Emerald Avenue
Crescent Street
Dale Street
Paris Avenue

Continued temporary paving
Livingston Avenue
Ottawa Avenue
Walker Avenue
Market Avenue
Tremont Blvd.
Eastern Avenue
Three Mile Road
Valley



Safe Community



New **operating**
investments:
\$2,992,706

- \$2,622,458 in General Fund
- \$370,248 in Non-General Fund
- 10 new positions

New **capital**
investments: \$4.3
million



Safe Community

EMERGENCY PREPAREDNESS

- Expansion of durable pavement markings to improve safety for pedestrians
- Elevate emergency preparedness by adding one position
- Continued traffic signal modernization improvements (capital)
- Traffic safety projects (capital)

ENSURING SAFETY

- Equipment to maintain 911 dispatch capability (800 MHz back-up and switching); no encryption
- Potential one-year pilot program of an evidence-based violence reduction program
- Increased support for the 61st District Court to sustain justice services
- Support for the Division Street Fire Station redevelopment project (capital)
- Police vehicles (capital)
- Purchase of advanced water rescue equipment (capital)
- Fire apparatus (capital)



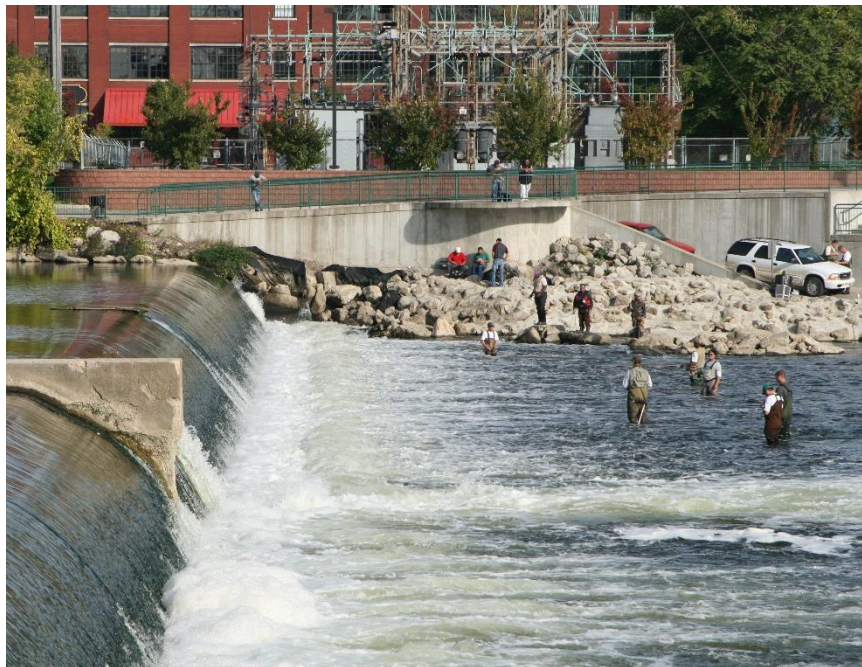
Safe Community

COMMUNITY ORIENTED POLICING

- Begin implementation of the police staffing and deployment study recommendations using the majority of the funds reserved for community and police relations
- Creation of at least a five-person evening shift of community policing services by adding two police officers and adding three civilian support personnel to enable reassignment of three current Police Officers
- Two civilian crime analyst positions
- One crisis intervention and behavioral health specialist
- One position in the Executive Office to work with departments and community on public safety community relations and accountability
- Two Police recruit classes
- Investment to equip and outfit recommended new Police Officers



Health and Environment



New **operating** investments:
\$1,043,660

- \$174,000 in General Fund
- \$869,660 in Non-General Fund
- 9 new positions

New **capital** investments:
\$57.6 million

- Investment in Neighborhoods of Focus: \$18.9 million



Health and Environment

CARBON EMISSIONS AND CLIMATE RESILIENCY

- LED lighting conversion in all 30 neighborhood parking lots owned and operated by Mobile GR
- One administrative analyst to support energy, sustainability and performance management outcomes

GREEN SPACES

- One earn-and-learn forestry aide to increase capacity
- Cemetery horticulture improvement and invasive species prevention
- Two personnel in cemetery operations to replace former temporary workers
- One staff member in Parks and Recreation for fund development
- 13 parks improved via Parks millage (capital)
- Third Ward park acquisition
- Interim improvements at Martin Luther King, Jr. Park lodge (capital)
- Hastings non-motorized trail (capital)



Health and Environment

PROTECT AND PRESERVE WATER RESOURCES

- Continue the phased implementation of Stormwater C investment, including preventative maintenance of 18% more gravity mains and 16% more gravity main inspections
- Increase in contractual services for soil and land erosion inspections
- Four personnel to support operation of the Biodigestion process as included in the financial projections for this project
- First phases of work required to relocate the Coldbrook pumping station from 1101 North Monroe (capital)
- Replace 5% of all private lead water service lines (capital)
- Godfrey Avenue water/sewer utility reconstruction (capital)
- Asset management investments at the Lake Michigan Filtration Plant and the Water Resource Recovery Facility (capital)
- Water/sewer investments in conjunction with Vital Streets projects (capital)



Governmental Excellence



New **operating** investments:
\$1,582,558

- \$767,966 in General Fund
- \$814,592 in Non-General Fund
- 6 new positions

New **capital** investments:
\$14.5 million

- Investment in Neighborhoods of Focus: \$2.5 million



Governmental Excellence

Resource Realignment to Embed Core Values and Support Strategic Priorities

- Vacant Managing Director Position → repurposed to Assistant City Manager
- Current Assistant to the City Manager → reassigned to provide executive oversight of Neighborhood Engagement, Diversity, Equity and Inclusion and special projects (elevating equity)
- Add innovation to Customer Service Director's role → Chief Customer Service and Innovation Officer
- Expand Sustainability Manager's role to include performance management → Sustainability and Performance Management Officer
- Cable TV/Video team reassigned to Office of Communications



Governmental Excellence

EMBED EQUITY

- Investing in increased and focused equity and leadership training

FISCAL SUSTAINABILITY

- Investing to ensure we maintain compliance standards for electronic financial transactions
- Contractual services for staffing in the Comptroller's Office
- One Assistant City Attorney to increase capacity and reduce outside counsel costs
- One budget analyst to support financial reporting and innovation



Governmental Excellence

HIGH PERFORMING EMPLOYEES

- Pilot a new system of employment entrance testing to help reduce barriers and hire for ability
- One wellness coordinator to focus on employee health

FACILITIES AND WORKSPACES

- Two skilled trade earn-and-learn positions in Facilities and Fleet (one each)
- Asset management projects to maintain the condition of City buildings and facilities (capital)
- Restoration of the Calder stabile (capital)



Governmental Excellence

TECHNOLOGY, DATA AND PERFORMANCE MANAGEMENT

- Establishing the Office of Sustainability and Performance Management
- Accelerate the deployment of innovation and business intelligence throughout the organization
- One senior electrical engineer to support maintenance of street lighting and water/sewer equipment
- Street lighting infrastructure projects financed through bond proceeds (capital)

MASTER PLAN

- Invest in master plan scoping



Governmental Excellence

Commitment to Employees

We are grateful to the talented workforce who frequently go above and beyond for public service. If we are to elevate the community's quality of life through excellent, equitable, and innovative City services, the following are required:

- Talented employees that are high-performing and knowledgeable
- Appropriate tools and resources to support staff work
- Investments in our employees
- Maintaining or enhancing our ability to recruit, develop and retain the best and brightest in our workforce is essential for our future



Engaged and Connected Community



New **operating** investments: \$291,204

- \$210,000 in General Fund
- \$81,204 in Non-General Fund
- 1 new position

New **capital** investments: \$569,000



Engaged and Connected Community

ENHANCED COMMUNICATION

- Resources for contractual services for the community survey, social media services, outreach and other initiatives
- Additional investment in closed captioning capability for City broadcasts
- Administrative Aide in Parks and Recreation to be funded in part by a matching grant for marketing, parks promotions and social media in collaboration with the Communications Office
- Upgrades in community cable television equipment (restricted capital funding)



Engaged and Connected Community

COMMUNITY ENGAGEMENT

- Invest in 2020 Census preparations

ELEVATE RESIDENT VOICE

- Increased investments in community-based special events and the Neighborhood Match Fund
- New e-poll book laptops and absentee voter ballot tabulators to improve election experiences



Conclusion



FY2020 Preliminary Fiscal Plan Summary

Focused Strategy

- ✓ A strategic plan was adopted to focus the work of the City
- ✓ This FY2020 Preliminary Fiscal Plan aligns resources, department operations and investments in a transparent manner to implement the Strategic Plan

Investing Strategically

- ✓ Investments aligned to achieve the priorities outlined in the Strategic Plan
- ✓ Staffing additions to drive Strategic Plan outcomes
- ✓ Accountability is embedded in this budget proposal; proper resources to ensure tracking and reporting are provided
- ✓ We will measure and report progress during the fiscal year

FY2020 Preliminary Fiscal Plan Summary

Advancing Equity

- ✓ Investing to drive equitable outcomes in each strategic priority; a more in-depth presentation will occur during this budget process

Exceptional Value

- ✓ Reduces property tax rate slightly
- ✓ Enhances Economic Development
- ✓ Enhances Public Safety and Community Relations
- ✓ Accomplishes increased environmental monitoring and water/sewer asset management with modest rate increases
- ✓ Enhances Mobility and continues to invest in Vital Streets and Parks
- ✓ Elevates quality of life

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Questions?

- What specific items need more discussion?
- Send additional questions to City Manager Washington and Chief Financial Officer Dood
- City Manager will provide responses at subsequent work sessions